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COMPUTING A SOCIAL SECURITY BENEFIT AFTER THE 1980 AND 1981 AMENDMENTS

by Steven F. McKay, F.S.A.
Office of the Actuary

Introduction

The 1977 Amendments to the Social Security Act made major revisions to the procedures used to compute benefits.[1] Since then, the procedures have been further modified by provisions in the 1980 and 1981 Amendments. In particular, the 1980 Amendments[2] decreased the number of dropout years allowed in the calculation of an Average Indexed Monthly Earnings (AIME) for younger disabled workers, and limited the Maximum Family Benefit (MFB) in all disability cases. The amendments enacted in 1981[3] changed the rules for rounding in the benefit calculations, and eliminated the minimum benefit for virtually all future beneficiaries.[4] This Note will explain the currently applicable benefit computation procedures, including these recently enacted modifications.

Since January 1979, the basic method for computing a Primary Insurance Amount (PIA) has been the wage-indexed formula method, which will be discussed first. Three alternative methods can be considered "guarantees," in that the calculated PIA must be at least as much as that provided by each of them. They are the transitional-guarantee PIA, the old-start PIA, and the previous disability-benefit guarantee.

The PIA table method of computing a PIA, which is the basic method for a closed group of older workers, currently has limited applicability and will be discussed only briefly. Finally, the special-minimum PIA will be described.

Applicability of Each Method

The wage-indexed formula method applies to a new beneficiary if the year of eligibility is 1979 or later. For purposes of computing benefits, "year of eligibility" means (1) for retirement benefits, the year of attaining age 62; (2) for disability benefits, the earlier of the year of onset of disability or the year of attaining age 62; and (3) for survivor benefits, the earlier of the year of death or the year of attaining age 62. When applying the previous rules, age 62 is deemed to be "attained" on the day before the sixty-second birthday. For example, for someone born on January 1, 1917, age 62 is attained on December 31, 1978, and so the year of eligibility for retirement benefits is 1978.

The three "guarantee" PIAs also apply to beneficiaries with years of eligibility of 1979 or later, but other restrictions also apply to each of them. The transitional-guarantee PIA applies only in retirement cases and in survivor

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cases where death occurred in the month of attainment of age 62 or later. Further, it applies only in cases where the worker attained age 62 in the five-year period 1979-83. Benefits paid on the transitional guarantee basis may continue for many years beyond 1983, as long as age 62 was attained in the required five-year period.

The old-start method (which takes account of earnings beginning with 1937, rather than 1951 as in the other computation methods) applies to all three types of benefits (retirement, disability, and survivor), but an individual's earnings prior to 1951 must be large compared to post-1950 earnings for the method to have practical significance.

The previous disability benefit guarantee applies in cases where an individual has had a previous period of disability, during which Social Security benefits were received. When a new retirement, disability, or survivor PIA is computed, it must be at least as large as the last disability PIA. Benefit increases occurring after the last disability benefit but before the current eligibility may or may not be applied, depending on the time elapsed since final cessation of disability benefits.

If the year of eligibility is prior to 1979, the PIA-table method applies instead of the wage-indexed formula method. (There are also old-start methods applicable when the year of eligibility is prior to 1979, similar to the one for cases with year of eligibility 1979 or later, but they will not be discussed here.)

The special minimum method has no restrictions at all regarding the cases to which it applies, but in practice it yields PIAs higher than the other methods only in cases where the worker has many years of relatively low earnings.

Wage-Indexed Formula Method--Calculation of AIME

Under the wage-indexed formula method of computing a benefit, the PIA is computed from the AIME by means of a benefit formula, where the AIME is an average of lifetime earnings. The AIME calculation involves determining how many years of earnings to use in the average, indexing the yearly earnings, and choosing which years to use.

The number of years used in the average (denoted by "n") is determined by the year of birth of the worker (and by sex, for workers born before 1913). For retirees, "n" equals the number of years elapsed after 1950 (or year of attaining age 21, if later) and before the year of attaining age 62, minus 5 years allowed as dropout years. For instance, a retiree reaching age 65 in 1982 has an "n" of 23 (the number of years between 1950 and 1979, exclusive, minus 5).

For survivor cases, "n" is determined in a similar manner, with the modification that the worker is deemed to have attained age 62 in the year of death, if not already age 62 at that time. The number of dropout years remains at 5.

For disability cases, there is the similar modification that the worker is deemed to have attained age 62 in the year that the 5-month waiting period begins, if not already age 62 at that time. (The waiting period generally begins in the first calendar month after the month of disability onset.) However, the number of dropout years is also modified for young disabled workers who become

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entitled[5] to benefits in July 1980 or later. Specifically, if the worker becomes disabled before age 47, the number of dropout years equals the number of years elapsed after the year of attaining age 21 and before the year that the disability began, divided by 5 and ignoring any fraction (the "one-fifth rule). Thus, there are no dropout years for those entitled at ages up to 26, 1 dropout year for entitlements at ages 27 to 31, 2 at ages 32 to 36, 3 at ages 37 to 41, and 4 at ages 42 to 46. For ages 47 and above and for entitlements prior to July 1980, the number of dropout years remains at 5.

Beginning in July 1981, a person who was allowed less than 3 dropout years in a PIA calculation for a disability may receive additional dropout years if he or she was caring for his or her child under age 3 in the particular years to be dropped out, and had no earnings in those years. The total number of dropout years, however, may not exceed 3.

An additional complication, the "disability freeze," may further limit the number of years to be used in the PIA calculation. Essentially, years that were wholly or partially in a period of disability may be dropped from the PIA calculation, and "n" is reduced by the same number of years. In all three types of cases (retirement, survivor, and disability), regardless of the preceding adjustments, "n" must be at least 2.

The years of earnings used initially can be any years after 1950 (but not necessarily after age 21) and preceding the year of retirement or disability. Earnings in the year of death in survivor cases can be used immediately, whereas earnings in the year of retirement (or later years) cannot be used until benefits payable for January of the year after retirement (or such later year), when the PIA may be recomputed.

Before the highest "n" years of earnings are determined and averaged, the yearly earnings are indexed to make earnings of different years comparable by adjusting for changes in average wages. The set of average annual wages currently used for indexing is presented in Table 1.[6] The year to which earnings are indexed (the base year for indexing) is two years before the year of eligibility. (The two-year lag is necessary to provide time to collect average earnings data.) Earnings after the base year are not indexed, but are used directly in the AIME calculation.

Table 2 presents as an example of indexing an age-65 retiree in January 1982, with earnings at the maximum amount taxable for Social Security purposes in every year. The year to which earnings are indexed (the base year for indexing) is 1977 in this case (two years prior to the year of attainment of age 62). Therefore, indexed 1976 earnings equal actual 1976 earnings of $15,300 multiplied by average 1977 earnings (15,300 x 9,779.44, or 149,625,432.0000), divided by average 1976 earnings (9,226.48), or $16,216.96. Earnings in 1978 and later are not indexed.

The AIME computation in this example is completed by determining "n" to be 23 (the number of years between 1950 and 1979, exclusive, minus 5), adding the 23 highest annual indexed earnings, dividing by the number of months in 23 years (276), and rounding down to a whole dollar; the AIME is $1,258.

Table 3 presents the steps in the AIME calculation for a retiree attaining age 62 in 1980, with annual earnings equal to 52 40-hour weeks at the Federal

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minimum wage. Table 4 presents a third AIME calculation, for a worker becoming disabled at age 35 in January 1982, with earnings of $10,000 in each year beginning at age 17. In that example, since entitlement occurs after June 1980, the one-fifth rule for determining the number of dropout years is effective, so that "n" equals the number of years after 1968 (the year of attainment of age 21) and before 1982, which is 13, minus one-fifth of that number rounded down to a whole integer (13/5 equals 2.6, rounded down to 2). (There can be no child-care dropout years because all of the years included in the AIME calculation have positive earnirgs.) Therefore "n" is 13 minus 2, or 11. The resulting AIME is $1,313.

Wage-Indexed Formula Method--Calculation of PIA and MFB

Once the AIME is computed, the PIA is determined by applying a PIA formula. The general form of the PIA formula is

90% of AIME up to the first bend point, plus
32% of AIME in excess of the first bend point up to the second bend point, plus
15% of AIME in excess of the second bend point.

The "bend points" vary with year of eligibility. Table 1 presents the bend points applicable for the 1979, 1980, 1981, and 1982 eligibility years. Bend points for later years, which are required to be published in the Federal Register by November 1 for the next year, will be determined by adjusting the 1979 bend points by the change in average earnings, with a two-year lag. Thus, the 1983 bend points will equal the $180 and $1,085 amounts that applied in 1979, multiplied by the ratio of 1981 average wages to 1977 average wages, rounded to the nearest whole dollars. (Note that these amounts are not always rounded down.)

The three intermediate products in the PIA formula (each of the three percentages times the dollar portions of the AIME) are not rounded, but after they are added, the sum (the "AIME PIA") is rounded either up or down to a multiple of $.10, if not already a multiple of $.10, depending on the year of eligibility. The AIME PIA calculated from a 1981 or earlier formula is rounded up, while the AIME PIA calculated from a 1982 or later formula is rounded down (as a result of the 1981 Amendments).

The PIA for the month of retirement is calculated from the AIME PIA (which is always assumed to be determined for January of the year of eligibility) by applying in sequence all of the intervening annual general benefit increases (based on CPI increases). The result of applying a 1981 or earlier increase is always rounded up to the next multiple of $.10, if not already a multiple of $.10, even if the calculation is being made for someone retiring in 1982 or later. The 1981 Amendments changed the rounding rules for 1982 and later increases, for which the result is always rounded down, if necessary, to a multiple of $.10, even if the calculation is being made for someone who retired prior to 1982.

Tables 2 through 4 conclude the PIA calculations for the three examples of the wage-indexed formula. Note that in Table 3 the June 1980 increase is applied, even though the worker did not reach age 62 until December 1980. Also note that in Table 4, the AIME PIA resulting from the 1982 PIA formula is rounded

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down. In all three examples, the results of applying the 1981 and prior general benefit increases are rounded up, but when the 1982 increase is applied, it will be rounded down in each of them. For example, if the June 1982 increase is 8 percent, the PIAs as of June 1982 will be calculated as follows:

Table 2: $667.20 x 1.08 = $720.576, rounded down to $720.50.
Table 3: $338.90 x 1.08 = $366.012, rounded down to $366.00.
Table 4: $553.50 x 1.08 = $597.780, rounded down to $597.70.

There is a provision of the Social Security Act which sets a minimum value of $122 on the wage-indexed formula PIA. The 198[illegible] Amendments, however, limit the applicability of the $122 minimum to eligibility years 1979, 1980, and 1981 (see footnote 4 for exception). For 1982 and later years of eligibility, the PIA resulting from the PIA formula is the only one used under the wage-indexed formula method, even if the result is less than $122.

The MFB calculation in retirement and survivor cases, and in disability cases where entitlement is prior to July 1980, parallels the PIA calculation in that first an AIME MFB is found by applying a MFB formula to the PIA, and then the applicable benefit increases are applied. The general form of the MFB formula is:

150% of AIME PIA up to the first bend point, plus
272% of AIME PIA in excess of the first bend point up to the second bend point, plus
134% of AIME PIA in excess of the second bend point up to the third bend point, plus
175% of AIME PIA in excess of the third bend point.

Table 1 presents the MFB bend points applicable for the 1979-82 eligibility years. As for the PIA formula bend points, the MFB formula bend points for future years will be determined by adjusting the 1979 bend points by the change in average earnings, with a two-year lag. Tables 2 and 3 show the MFB calculation for the two examples of the wage-indexed formula method as it applies to retirees.

As a result of the 1980 Amendments, the AIME MFB in disability cases, where entitlement is in July 1980 or later, is limited to the lesser of 1) 85 percent of the AIME, or 2) 150 percent of the AIME PIA, but in any case the AIME MFB must be at least 100 percent of the AIME PIA. The same benefit increases apply to the AIME MFB determined by the preceding sentence as would apply to an AIME MFB determined by the MFB formula. Table 4 shows the MFB calculation for a disability case.

There is a new rounding rule concerning benefits which will first become effective for June 1982, but it should not be confused with the PIA rounding rules. Beginning for June 1982, the actual benefit payable after the Medicare SMI premium deduction, if any, will be rounded down, if necessary, to a whole dollar. The dollar rounding rule applies to all types of benefit calculations, not just the wage-indexed formula method, but since this Note is discussing PIAs and not actual benefits payable, the dollar rounding rule will not be referred to again.

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Under current law, benefit increases occur for June, so that workers retiring in June or later receive the June general benefit increase in the year of retirement in the initial PIA calculation. Thus, everyone born in one particular calendar year becomes eligible for the same benefit increases regardless of month of retirement, or month of birth, since a worker retiring before June receives the June general benefit increase by virtue of being a beneficiary at the time of the increase, and a worker retiring in June or later receives the June general benefit increase in the initial PIA calculation.

Transitional-Guarantee Method

The transitional guarantee method is used in retirement cases for persons turning 62 in the five-year period 1979-83, regardless of the year of retirement. It also applies in survivor cases for those same people, if death has occurred in the month of attainment of age 62 or later. In this method, the PIA is obtained from a PIA table, rather than a formula. Before using the PIA table, an Average Monthly Wage (AMW) is calculated in a manner similar to the AIME calculation, but with two differences. First, the annual earnings are not indexed. Second, earnings in and after the year of eligibility (attainment of age 62) can never be used. After the AMW is computed, the corresponding PIA is found in the modified December 1978 PIA table, presented as Table 5.

The actual December 1978 PIA table had a first interval up to $76 of AMW, for which the PIA was $121.80. The 1981 Amendments modified this table for purposes of the transitional-guarantee method by extending the first interval by single-dollar increments below $76 of AMW and by prorating the $121.80 PIA, but that extension applies only to persons becoming eligible in 1982 and 1983. Persons eligible in 1979-81 continue to be eligible for the $121.80 PIA for AMWs up to $76.

The same benefit increases apply to PIAs derived from the PIA table as apply to AIME PIAs described earlier. In both types of calculations, benefit increases apply in the year of attainment of age 62, whether or not retired, and regardless of month of birth or month of retirement, and in every year thereafter.

Table 6 shows the transitional-guarantee calculation for the age-65 retiree in January 1982 (the same retiree as in Table 2). Notice that "n" is 23, the same as for the wage-indexed formula method. The AMW is $678; from Table 5 the PIA (for the AMW interval $676 to $680) is $486.10. Since the year of eligibility is 1979, the 1979-81 benefit increases are applied, and the PIA at retirement is $679.30. That is greater than the wage-indexed formula PIA at retirement of $667.20, so in this case the applicable PIA would be $679.30.

Table 7 illustrates the transitional-guarantee calculation for the age-63 retiree in December 1981 (the same retiree as in Table 3). In this case, the wage-indexed formula method produces a higher PIA than does the transitional-guarantee method. There is no transitional guarantee calculation corresponding to the example in Table 4, since that example was of a disability case.

The MFB in the transitional-guarantee method is found in the same way as in the wage-indexed formula method, but with the PIA from the December 1978 PIA table substituted for the AIME PIA, as shown in Tables 6 and 7.

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Old-Start Method

The old-start method has evolved from the original 1939-Act formula,[7] which related an AMW to a Primary Insurance Benefit (PIB). This method became "old-start" when the 1950 Act introduced the "new-start" formula (which evolved into the PIA-table method), using only earnings after 1950. At that time the old-start method was introduced as an alternative for people with substantial earnings before 1951, and required the tabulation of year-by-year earnings from 1937 to 1950.

The 1967 Amendments simplified the procedure by using only the sum of a worker's pre-1951 earnings, to which an assumed yearly distribution was applied. The 1977 Amendments introduced a new simplified old-start formula for persons becoming eligible in 1978 and later. That method will be briefly described.

The first step is the computation of the old-start AMW. The old-start "n" is calculated similarly to the new-start "n", except that the year 1936 is substituted for 1950. (The starting year is the year of attaining age 21 if that is later than 1936.) The high "n" years of earnings back to 1937 are used in the AMW calculation, but earnings prior to 1951 are distributed by a formula before they are used. These earnings are distributed equally over the years after attainment of age 20 and before 1951. (If age 20 is attained in 1950 or later, all of the pre-1951 earnings are allocated to 1950.) Since the earnings base was $3,000 prior to 1951, any yearly earnings over $3,000 after the preceding allocation are reduced to $3,000 and the excess is allocated, in $3,000 increments, to the year of attainment of age 20 and earlier, proceeding backwards as far as 1937, if necessary, to allocate all of the earnings.

The old-start AMW is substituted in an old-start PIB formula, which is:

40% of AMW up to $50, plus
10% of the next $200 of AMW.

The result of applying the PIB formula is increased by a factor for "increment years," where the number of such years equals the total pre-1951 earnings divided by $1,650, rounded down to an integer, but with a minimum of 4 and a maximum of 14. The PIB is increased by one percent for each increment year, and then rounded to the nearest cent.

A PIA corresponding to the old-start PIB is found in a PIB-PIA conversion table. For eligibility in 1979 or later, the December 1978 PIB-PIA conversion table is used, in the same way the December 1978 PIA table is used in the transitional guarantee method. In the old-start calculation, as in the transitional guarantee method, if eligibility is in 1979 or later, earnings in the year of eligibility and later can never be used and benefit increases apply beginning with the year of eligibility.

Table 8 presents the step-by-step old-start PIA calculation for the age 63 retiree in December 1981, corresponding to the retiree in Tables 3 and 7, assuming earnings back to 1937 at the Federal minimum wage rate. The PIB is found to be $38.58. From the December 1978 PIB-PIA conversion table, PIBs in the interval $38.21 to $39.12 correspond to a PIA of $225.30. Finally, the June 1980 and 1981 increases give a PIA in December 1981 of $286.50.

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Previous Disability-Benefit Guarantee

The previous disability-benefit (DIB) guarantee is provided to individuals who are eligible for benefits after 1978 and who were previously entitled to monthly disability benefits. The rules for calculating DIB guarantee PIAs depend on the length of time from the end of the previous disability benefit to the beginning of the new retirement, disability, or survivor benefit.

If the disability benefit ended more than 12 months before entitlement to the new benefit, the PIA for current benefits must at least equal the last PIA for the previous disability benefit; intervening benefit increases are not applied.

If the individual was entitled to benefits in any of the 12 months prior to entitlement to the new benefit, the new PIA must be at least as much as the last PIA for the previous disability benefit, increased by the intervening general benefit increase, if any.

In either case, benefit increases occurring after the month of entitlement to the new benefit are applied to the DIB guarantee PIA.

PIA-Table Method

In the PIA-table method, a PIA is linked to its corresponding AMW and MFB in a PIA table. The PIA and MFB values in the table are updated each June if a benefit increase has occurred, and are published in the Federal Register. If there is an increase in the earnings base (effective at the beginning of the calendar year), the upper range of the PIA table is extended to an AMW of one-twelfth of the new base.

In calculating an AMW, the same number of years of earnings ("n") as in the wage-indexed formula method is computed, although a somewhat different rule applies for males attaining age 62 before 1975. The high "n" years of earnings, including any earnings after age 62, are averaged to find the AMW. Then the corresponding PIA and MFB may be found in the applicable PIA table.[8]

Table 9 presents the PIA table method benefit calculation for an age 65 retiree in December 1981, assuming maximum earnings in every year.

The new rounding rules will be applied to the updated PIA tables beginning in June 1982, so that a June 1982 PIA will equal the corresponding June 1981 PIA increased by the 1982 benefit increase and rounded down, where necessary, to a multiple of a dime.

Special-Minimum PIA

The special-minimum method often produces the largest PIA for individuals with long periods of relatively low earnings. The benefit is determined by finding the PIA corresponding to the number of "years of coverage" in excess of 10 but not more than 30 (maximum 20). A year of coverage for this purpose is a year in which earnings were at least one-quarter of the earnings base, for years from 1951 to 1978. Because of the large ad hoc increases in the base in 1979-81, years of coverage in 1979 and later are years in which earnings are at least one-quarter of what the earnings base would have been without the ad hoc increases. Years of coverage for earnings prior to 1951 are determined by

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dividing total pre-1951 earnings by $900 and dropping any fraction, with a maximum of 14 such years.

As of January 1979, the PIA was $11.50 for each countable year of coverage. Therefore, possible special-minimum PIAs ranged from $11.50 for one countable year of coverage (i.e. one year in excess of 10), up to $230.00 for 20 countable years of coverage. The MFBs were equal to 150% of the corresponding PIAs, rounded up, if necessary, to a multiple of a dime. Each June, the 20 special-minimum PIAs and 20 MFBs are increased by the applicable percentage and rounded to a dime, following the same rounding rules that apply to the PIA table. This produces results very similar to those obtained by increasing the $11.50 amount by the benefit increase and multiplying by the countable years of coverage; any differences are due to rounding.

Table 10 presents the special minimum PIA calculation for the age 63 retiree in December 1981, with earnings at the minimum wage (the same example as in Tables 3, 7, and 8). Each year from 1951 to 1980 is a year of coverage, and 11 years are credited for earnings prior to 1951. Therefore there are 20 countable years of coverage (the maximum allowable), and the PIA in December 1981 is $321.40.

For the age-63 minimum-wage earner in December 1981, Tables 3, 7, 8, and 10 show that the calculated PIAs for the age-63 minimum-wage earner in December 1981 are $338.90, $333.20, $286.50, and $321.40 from the wage-indexed formula method, the transitional guarantee method, the old-start method, and the special-minimum method, respectively. The largest and, therefore, the applicable PIA in this case would be $338.90 (from the wage-indexed formula method).

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Footnotes

[1] See Actuarial Note No. 100, "Computing a Social Security Benefit after the 1977 Amendments," by Steven F. McKay, SSA, Office of the Actuary, February 1980.

[2] "Social Security Disability Amendments of 1980," P.L. 96-265. Section 101 limited total family benefits in disability cases and section 102 reduced the number of dropout years for younger disabled workers.

[3] "Omnibus Budget Reconciliation Act of 1981," P.L. 97-35. Section 2201 repealed the minimum benefit provisions for current and future beneficiaries, and section 2206 changed the rules for rounding of benefits. Section 2 of P.L. 97-123 restored the minimum benefit provisions for current beneficiaries and a few new beneficiaries (see footnote 4).

[4] Certain members of religious orders who have taken a vow of poverty will be eligible for the minimum benefit.

[5] Essentially, someone becomes entitled to benefits by being eligible and applying for those benefits.

[6] For more information on the average wage series, see Actuarial Note No. 103, "Average Wages for Indexing under the Social Security Act and the Automatic Determinations for 1979-81," by Eli N. Donkar, SSA, Office of the Actuary, May 1981.

[7] The 1935 Act related the PIA to cumulative wages, but that provision was overridden before it could become effective.

[8] The amounts in the PIA table can be approximated by formulas for the PIA and MFB. For a summary of all of the approximate formulas through 1981, see "History of the Provisions of Old-Age, Survivors, Disability, and Health Insurance, 1935-81," Social Security Administration, January 1982.

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Table 1

AVERAGE ANNUAL EARNINGS FOR INDEXING PURPOSES

Year	Average Annual Earnings	Year	Average Annual Earnings	Year	Average Annual Earnings
1951	$ 2,799.16	1961	$ 4,086.76	1971	$ 6,497.08
1952	2,973.32	1962	4,291.40	1972	7,133.80
1953	3,139.44	1963	4,396.64	1973	7,580.16
1954	3,155.64	1964	4,576.32	1974	8,030.76
1955	3,301.44	1965	4,658.72	1975	8,630.92
1956	3,532.36	1966	4,938.36	1976	9,226.48
1957	3,641.72	1967	5,213.44	1977	9,779.44
1958	3,673.80	1968	5,571.76	1978	10,556.03
1959	3,855.80	1969	5,893.76	1979	11,479.46
1960	4,007.12	1970	6,186.24	1980	12,513.46

PIA FORMULA BEND POINTS

AIME PIA is 90% of AIME up to first bend point, plus 32% of AIME greater than first bend point up to second bend point, plus 15% of AIME greater than second bend point.

Year of Eligibility	First Bend Point	Second Bend Point
1979	$180	$1,085
1980	194	1,171
1981	211	1,274
1982	230	1,388

MFB FORMULA BEND POINTS

AIME MFB is 150% of AIME PIA up to first bend point, plus 272% of AIME PIA greater than first bend point up to second bend point, plus 134% of AIME PIA greater than second bend point up to third bend point, plus 175% of AIME PIA greater than third bend point.

Year of Eligibility	First Bend Point	Second Bend Point	Third Bend Point
1979	$230	$332	$433
1980	248	358	467
1981	270	390	508
1982	294	425	554

BENEFIT INCREASES, 1979-81

Effective Month	Amount
June 1979	9.9%
June 1980	14.3
June 1981	11.2

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Table 2

FIRST WAGE-INDEXED FORMULA EXAMPLE--
AGE 65 RETIREE IN JANUARY 1982 (BORN JANUARY 15, 1917); n=23

Year	Earnings	Earnings x $9779.44	Indexed Earnings	High n Years of Indexed Earnings
1951	$ 3,600	$ 35,205,984.0000	$12,577.34	$12,577.34
1952	3,600	35,205,984.0000	11,840.63	11,840.63
1953	3,600	35,205,984.0000	11,214.10	
1954	3,600	35,205,984.0000	11,156.53	
1955	4,200	41,073,648.0000	12,441.13	12,441.13
1956	4,200	41,073,648.0000	11,627.82	11,627.82
1957	4,200	41,073,648.0000	11,278.64	
1958	4,200	41,073,648.0000	11,180.15	
1959	4,800	46,941,312.0000	12,174.21	12,174.21
1960	4,800	46,941,312.0000	11,714.48	11,714.48
1961	4,800	46,941,312.0000	11,486.19	11,486.19
1962	4,800	46,941,312.0000	10,938.46	
1963	4,800	46,941,312.0000	10,676.63	
1964	4,800	46,941,312.0000	10,257.44	
1965	4,800	46,941,312.0000	10,076.01	
1966	6,600	64,544,304.0000	13,069.99	13,069.99
1967	6,600	64,544,304.0000	12,380.37	12,380.37
1968	7,800	76,279,632.0000	13,690.40	13,690.40
1969	7,800	76,279,632.0000	12,942.44	12,942.44
1970	7,800	76,279,632.0000	12,330.53	12,330.53
1971	7,800	76,279,632.0000	11,740.60	11,740.60
1972	9,000	88,014,960.0000	12,337.74	12,337.74
1973	10,800	105,617,952.0000	13,933.47	13,933.47
1974	13,200	129,088,608.0000	16,074.27	16,074.27
1975	14,100	137,890,104.0000	15,976.29	15,976.29
1976	15,300	149,625,432.0000	16,216.96	16,216.96
1977	16,500	161,360,760.0000	16,500.00	16,500.00
1978	17,700	----	17,700.00	17,700.00
1979	22,900	----	22,900.00	22,900.00
1980	25,900	----	25,900.00	25,900.00
1981	29,700	----	29,700.00	29,700.00

Total of high n years of indexed earnings = $347,254.86.
AIME = $347,254.86/(23x12) = $1,258.17, rounded down to $1,258.
AIME PIA = 90% of $180, plus 32% of $905, plus 15% of ($1,258-$1,085) = $477.55, rounded up to $477.60.
AIME MFB = 150% of $230, plus 272% of $102, plus 134% of $101, plus 175% of ($477.60-$433.00) = $835.83, rounded up to $835.90.
Increase (June 1979): PIA = $477.60 x 1.099 = $524.8824, rounded up to $524.90.
Increase (June 1980): PIA = $524.90 x 1.143 = $599.9607, rounded up to $600.00.
Increase (June 1981): PIA = $600.00 x 1.112 = $667.2000 (no rounding).
(The 1979-81 increases are applied similarly to the MFB.)

January 1982 PIA = $667.20
January 1982 MFB = $1,167.80

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Table 3

SECOND WAGE-INDEXED FORMULA EXAMPLE--
AGE 63 RETIREE IN DECEMBER 1981 (BORN DECEMBER 15, 1918); n=24

Year	Earnings	Earnings x $10,556.03	Indexed Earnings	High n Years of Indexed Earnings
1951	$ 1,560	$ 16,467,406.8000	$ 5,882.98	$ 5,882.98
1952	1,560	16,467,406.8000	5,538.39	5,538.39
1953	1,560	16,467,406.8000	5,245.33	5,245.33
1954	1,560	16,467,406.8000	5,218.40	
1955	1,560	16,467,406.8000	4,987.95	
1956	1,993	21,038,167.7900	5,955.84	5,955.84
1957	2,080	21,956,542.4000	6,029.17	6,029.17
1958	2,080	21,956,542.4000	5,976.52	5,976.52
1959	2,080	21,956,542.4000	5,694.42	5,694.42
1960	2,080	21,956,542.4000	5,479.38	5,479.38
1961	2,184	23,054,369.5200	5,641.23	5,641.23
1962	2,392	25,250,023.7600	5,883.87	5,883.87
1963	2,461	25,978,389.8300	5,908.69	5,908.69
1964	2,600	27,445,678.0000	5,997.32	5,997.32
1965	2,600	27,445,678.0000	5,891.25	5,891.25
1966	2,600	27,445,678.0000	5,557.65	5,557.65
1967	2,886	30,464,702.5800	5,843.49	5,843.49
1968	3,293	34,761,006.7900	6,238.78	6,238.78
1969	3,328	35,130,467.8400	5,960.62	5,960.62
1970	3,328	35,130,467.8400	5,678.81	5,678.81
1971	3,328	35,130,467.8400	5,407.12	5,407.12
1972	3,328	35,130,467.8400	4,924.51	
1973	3,328	35,130,467.8400	4,634.53	
1974	3,883	40,989,064.4900	5,104.01	
1975	4,368	46,108,739.0400	5,342.27	5,342.27
1976	4,784	50,500,047.5200	5,473.38	5,473.38
1977	4,784	50,500,047.5200	5,163.90	
1978	5,512	58,184,837.3600	5,512.00	5,512.00
1979	6,032	----	6,032.00	6,032.00
1980	6,448	----	6,448.00	6,448.00

Total of high n years of indexed earnings = $138,618.51.
AIME = $138,618.51/(24x12) = $481.31, rounded down to $481.
AIME PIA = 90% of $194, plus 32% of ($481-$194) = $266.44, rounded up to $266.50.
AIME MFB = 150% of $248, plus 272% of ($266.50-$248.00) = $422.32, rounded up to $422.40.
Increase (June 1980): PIA = $266.50 x 1.143 = $304.6095, rounded up to $304.70.
Increase (June 1981): PIA = $304.70 x 1.112 = $338.8264, rounded up to $338.90.
(The 1980-81 increases are applied similarly to the MFB.)

December 1981 PIA = $338.90
December 1981 MFB = $537.00

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Table 4

THIRD WAGE-INDEXED FORMULA EXAMPLE--
WORKER AGE 35 DISABLED IN JANUARY 1982 (BORN JANUARY 15, 1947)
(FIRST MONTH OF WAITING PERIOD IS FEBRUARY 1982); n=11

Year	Earnings	Earnings x $12,513.46	Indexed Earnings	High n Years of Indexed Earnings
1951-63	----	----	----	
1964	$ 4,800	$ 60,064,608.0000	$13,125.09	
1965	4,800	60,064,608.0000	12,892.94	
1966	6,600	82,588,836.0000	16,723.94	$16,723.94
1967	6,600	82,588,836.0000	15,841.52	15,841.52
1968	7,800	97,604,988.0000	17,517.80	17,517.80
1969	7,800	97,604,988.0000	16,560.73	16,560.73
1970	7,800	97,604,988.0000	15,777.76	15,777.76
1971	7,800	97,604,988.0000	15,022.90	15,022.90
1972	9,000	112,621,140.0000	15,786.98	15,786.98
1973	10,000	125,134,600.0000	16,508.17	16,508.17
1974	10,000	125,134,600.0000	15,581.91	15,581.91
1975	10,000	125,134,600.0000	14,498.41	14,498.41
1976	10,000	125,134,600.0000	13,562.55	13,562.55
1977	10,000	125,134,600.0000	12,795.68	
1978	10,000	125,134,600.0000	11,854.32	
1979	10,000	125,134,600.0000	10,900.74	
1980	10,000	125,134,600.0000	10,000.00	
1981	10,000	----	10,000.00	

Total of high n years of indexed earnings = $173,382.67.
AIME = $173,382.67/(11x12) = $1,313.51, rounded down to $1,313.
AIME PIA = 90% of $230 plus 32% of ($1,313-$230) = $553.56, rounded down to $553.50.
AIME MFB based on 1980 Amendments = lesser of 85% of $1,313 and 150% of $553.50 = lesser of $1,116.05 and $830.25 = $830.25, rounded down to $830.20.

July 1982 PIA = $553.50 (after 5-month waiting period February-June 1982)
July 1982 MFB = $830.20

(The June 1982 benefit increase will be applied to the above PIA and MFB before the benefit is paid. The increase will be rounded down to a multiple of $.10)

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Table 5

DECEMBER 1978 PIA TABLE, AS EXTENDED BY THE 1981 AMENDMENTS
FOR TRANSITIONAL GUARANTEE PIA CALCULATIONS

AMW Interval		PIA	AMW Interval		PIA	AMW Interval		PIA
---	$ 1	$ 1.70*	$ 46	$ 46	$ 73.80*	$102	$102	$158.90
$ 2	2	3.30*	47	47	75.40*	103	104	161.60
3	3	4.90*	48	48	77.00*	105	106	164.60
4	4	6.50*	49	49	78.60*	107	107	167.30
5	5	8.10*	50	50	80.20*	108	109	169.80
6	6	9.70*	51	51	81.80*	110	113	172.50
7	7	11.30*	52	52	83.40*	114	118	174.90
8	8	12.90*	53	53	85.00*	119	122	177.60
9	9	14.50*	54	54	86.60*	123	127	180.40
10	10	16.10*	55	55	88.20*	128	132	183.00
11	11	17.70*	56	56	89.80*	133	136	185.50
12	12	19.30*	57	57	91.40*	137	141	188.00
13	13	20.90*	58	58	93.00*	142	146	190.80
14	14	22.50*	59	59	94.60*	147	150	193.60
15	15	24.10*	60	60	96.20*	151	155	195.90
16	16	25.70*	61	61	97.80*	156	160	198.70
17	17	27.30*	62	62	99.40*	161	164	201.30
18	18	28.90*	63	63	101.00*	165	169	203.90
19	19	30.50*	64	64	102.60*	170	174	206.70
20	20	32.10*	65	65	104.20*	175	178	209.10
21	21	33.70*	66	66	105.80*	179	183	211.90
22	22	35.30*	67	67	107.40*	184	188	214.40
23	23	36.90*	68	68	109.00*	189	193	217.20
24	24	38.50*	69	69	110.60*	194	197	219.90
25	25	40.10*	70	70	112.20*	198	202	222.40
26	26	41.70*	71	71	113.80*	203	207	225.30
27	27	43.30*	72	72	115.40*	208	211	228.00
28	28	44.90*	73	73	117.00*	212	216	230.10
29	29	46.50*	74	74	118.60*	217	221	233.00
30	30	48.10*	75	75	120.20*	222	225	235.60
31	31	49.70*	76	76	121.80	226	230	238.50
32	32	51.30*	77	78	123.80	231	235	241.10
33	33	52.90*	79	80	126.60	236	239	244.00
34	34	54.50*	81	81	128.90	240	244	246.30
35	35	56.10*	82	83	131.20	245	249	248.70
36	36	57.70*	84	85	134.00	250	253	251.80
37	37	59.30*	86	87	136.50	254	258	254.30
38	38	60.90*	88	89	138.60	259	263	256.50
39	39	62.60*	90	90	141.40	264	267	259.60
40	40	64.20*	91	92	143.80	268	272	262.10
41	41	65.80*	93	94	146.20	273	277	264.90
[illegible]	42	67.40*	95	96	148.50	278	281	267.40
43	43	69.00*	97	97	151.30	282	286	270.00
44	44	70.60*	98	99	153.70	287	291	272.90
45	45	72.20*	100	101	156.70	292	295	275.10

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Table 5 (continued)

AMW Interval		PIA
$296	$300	$278.10
301	305	280.70
306	309	283.10
310	314	286.00
315	319	288.30
320	323	291.00
324	328	293.80
329	333	296.20
334	337	299.30
338	342	301.40
343	347	304.20
348	351	307.10
352	356	309.40
357	361	312.40
362	365	314.90
366	370	317.30
371	375	320.20
376	379	322.90
380	384	325.60
385	389	328.00
390	393	330.50
394	398	333.40
399	403	336.00
404	407	338.90
408	412	341.10
413	417	343.50
418	421	346.00
422	426	348.70
427	431	351.10
432	436	353.20
437	440	356.20
441	445	358.40
446	450	360.80
451	454	363.50
455	459	365.90
460	464	368.30
465	468	370.60
469	473	373.50
474	478	375.60
479	482	378.00
483	487	380.70
488	492	383.10
493	496	385.50
497	501	388.20
502	506	390.50
507	510	392.90
511	515	395.30
516	520	398.00

AMW Interval		PIA
$521	$524	$400.30
525	529	402.70
530	534	405.60
535	538	407.70
539	543	410.20
544	548	412.80
549	553	415.30
554	556	417.60
557	560	419.60
561	563	421.90
564	567	424.10
568	570	426.50
571	574	428.50
575	577	430.70
578	581	432.70
582	584	435.00
585	588	436.90
589	591	439.50
592	595	441.60
596	598	443.80
599	602	446.00
603	605	448.10
606	609	450.30
610	612	452.60
613	616	454.70
617	620	456.80
621	623	459.10
624	627	461.20
628	630	463.40
631	634	465.60
635	637	467.80
638	641	470.10
642	644	472.10
645	648	474.40
649	652	476.50
653	656	477.80
657	660	479.20
661	665	480.90
666	670	482.60
671	675	484.40
676	680	486.10
681	685	487.80
686	690	489.70
691	695	491.20
696	700	492.90
701	705	494.70
706	710	496.40
711	715	498.20

AMW Interval		PIA
$716	$720	$500.00
721	725	501.70
726	730	503.40
731	735	505.10
736	740	506.90
741	745	508.50
746	750	510.10
751	755	511.70
756	760	513.20
761	765	514.70
766	770	516.00
771	775	517.40
776	780	518.90
781	785	520.40
786	790	521.70
791	795	523.10
796	800	524.60
801	805	526.20
806	810	527.50
811	815	529.00
816	820	530.40
821	825	531.90
826	830	533.30
831	835	534.70
836	840	536.10
841	845	537.60
846	850	538.90
851	855	540.50
856	860	541.90
861	865	543.40
866	870	544.80
871	875	546.30
876	880	547.60
881	885	549.10
886	890	550.40
891	895	551.90
896	900	553.40
901	905	554.90
906	910	556.30
911	915	557.80
916	920	559.30
921	925	560.60
926	930	561.90
931	935	563.40
936	940	564.90
941	945	566.30
946	950	567.70
951	955	569.30

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Table 5 (continued)

AMW Interval		PIA
$956	$960	$570.80
961	965	572.30
966	970	573.40
971	975	574.90
976	980	576.40
981	985	577.90
986	990	579.20
991	995	580.70
996	1000	582.20
1001	1005	583.50
1006	1010	584.60
1011	1015	586.00
1016	1020	587.40
1021	1025	588.60
1026	1030	589.90
1031	1035	591.20
1036	1040	592.40
1041	1045	593.80
1046	1050	595.20
1051	1055	596.20
1056	1060	597.60
1061	1065	599.00
1066	1070	600.30
1071	1075	601.60
1076	1080	602.80
1081	1085	604.20
1086	1090	605.40
1091	1095	606.80
1096	1100	608.20
1101	1105	609.20
1106	1110	610.60
1111	1115	612.00
1116	1120	613.20
1121	1125	614.60
1126	1130	615.80

AMW Interval		PIA
$1131	$1135	$617.10
1136	1140	618.40
1141	1145	619.80
1146	1150	621.10
1151	1155	622.20
1156	1160	623.60
1161	1165	624.90
1166	1170	626.20
1171	1175	627.50
1176	1180	628.70
1181	1185	629.90
1186	1190	631.20
1191	1195	632.30
1196	1200	633.50
1201	1205	634.70
1206	1210	636.00
1211	1215	637.10
1216	1220	638.30
1221	1225	639.50
1226	1230	640.80
1231	1235	641.90
1236	1240	643.10
1241	1245	644.40
1246	1250	645.50
1251	1255	646.70
1256	1260	647.90
1261	1265	649.20
1266	1270	650.30
1271	1275	651.50
1276	1280	652.70
1281	1285	653.70
1286	1290	654.90
1291	1295	656.10
1296	1300	657.20
1301	1305	658.30

AMW Interval		PIA
$1306	$1310	$659.40
1311	1315	660.60
1316	1320	661.70
1321	1325	662.80
1326	1330	664.00
1331	1335	665.00
1336	1340	666.20
1341	1345	667.40
1346	1350	668.40
1351	1355	669.60
1356	1360	670.70
1361	1365	671.90
1366	1370	672.90
1371	1375	674.10
1376	1380	675.20
1381	1385	676.20
1386	1390	677.30
1391	1395	678.30
1396	1400	679.40
1401	1405	680.50
1406	1410	681.50
1411	1415	682.60
1416	1420	683.70
1421	1425	684.70
1426	1430	685.80
1431	1435	686.90
1436	1440	687.90
1441	1445	689.00
1446	1450	690.10
1451	1455	691.10
1456	1460	692.20
1461	1465	693.30
1466	1470	694.30
1471	1475	695.40

*For eligibility in 1979-81, use $121.80.

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Table 6

FIRST TRANSITIONAL-GUARANTEE EXAMPLE--
AGE 65 RETIREE IN JANUARY 1982 (BORN JANUARY 15, 1917); n=23

Year	Earnings	High n Years of Earnings Before Age 62
1951	$ 3,600	
1952	3,600	
1953	3,600	
1954	3,600	
1955	4,200	
1956	4,200	$ 4,200
1957	4,200	4,200
1958	4,200	4,200
1959	4,800	4,800
1960	4,800	4,800
1961	4,800	4,800
1962	4,800	4,800
1963	4,800	4,800
1964	4,800	4,800
1965	4,800	4,800
1966	6,600	6,600
1967	6,600	6,600
1968	7,800	7,800
1969	7,800	7,800
1970	7,800	7,800
1971	7,800	7,800
1972	9,000	9,000
1973	10,800	10,800
1974	13,200	13,200
1975	14,100	14,100
1976	15,300	15,300
1977	16,500	16,500
1978	17,700	17,700
1979	22,900	
1980	25,900	
1981	29,700	

Total of high n years of earnings before age 62 = $187,200.
AMW = $187,200/(23x12) = $678.26, rounded down to $678.
December 1978 PIA = $486.10 (from Table 5).
December 1978 MFB = 150% of $230, plus 272% of $102, plus 134% of $101, plus 175% of ($486.10-$433.00) = $850.705, rounded up to $850.80.
Increase (June 1979): PIA = $486.10 x 1.099 = $534.2239, rounded up to $534.30.
Increase (June 1980): PIA = $534.30 x 1.143 = $610.7049, rounded up to $610.80.
Increase (June 1981): PIA = $610.80 x 1.112 = $679.2096, rounded up to $679.30.
(The 1979-81 increases are applied similarly to the MFB.)

January 1982 PIA = $679.30
January 1982 MFB = $1,188.70

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Table 7

SECOND TRANSITIONAL-GUARANTEE EXAMPLE--
AGE 63 RETIREE IN DECEMBER 1981 (BORN DECEMBER 15, 1918); n=24

Year	Earnings	High n Years of Earnings Before Age 62
1951	$ 1,560	
1952	1,560	
1953	1,560	
1954	1,560	
1955	1,560	
1956	1,993	$ 1,993
1957	2,080	2,080
1958	2,080	2,080
1959	2,080	2,080
1960	2,080	2,080
1961	2,184	2,184
1962	2,392	2,392
1963	2,461	2,461
1964	2,600	2,600
1965	2,600	2,600
1966	2,600	2,600
1967	2,886	2,886
1968	3,293	3,293
1969	3,328	3,328
1970	3,328	3,328
1971	3,328	3,328
1972	3,328	3,328
1973	3,328	3,328
1974	3,883	3,883
1975	4,368	4,368
1976	4,784	4,784
1977	4,784	4,784
1978	5,512	5,512
1979	6,032	6,032
1980	6,448	

Total of high n years of earnings before age 62 = $77,332.
AMW = $77,332/(24x12) = $268.51, rounded down to $268.
December 1978 PIA = $262.10 (from Table 5).
December 1978 MFB = 150% of $248 plus 272% of ($262.10-$248.00) = $410.352, rounded up to $410.40.
Increase (June 1980): PIA = $262.10 x 1.143 = $299.5803, rounded up to $299.60.
Increase (June 1981): PIA = $299.60 x 1.112 = $333.1552, rounded up to $333.20.
(The 1980-81 increases are applied similarly to the MFB.)

December 1981 PIA = $333.20
December 1981 MFB = $521.70

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Table 8

OLD-START EXAMPLE--
AGE 63 RETIREE IN DECEMBER 1981 (BORN DECEMBER 15, 1918); old-start n=35

Year	Earnings	Allocated Earnings	High n Years of Earnings Before Age 62
1937	$ 520		
1938	520		
1939	537	$ 848.58	
1940	624	848.58	
1941	624	848.58	
1942	624	848.58	
1943	624	848.58	
1944	624	848.58	
1945	659	848.58	$ 848.58
1946	832	848.58	848.58
1947	832	848.58	848.58
1948	832	848.58	848.58
1949	832	848.58	848.58
1950	1,499	848.58	848.58
1951	1,560	1,560.00	1,560.00
1952	1,560	1,560.00	1,560.00
1953	1,560	1,560.00	1,560.00
1954	1,560	1,560.00	1,560.00
1955	1,560	1,560.00	1,560.00
1956	1,993	1,993.00	1,993.00
1957	2,080	2,080.00	2,080.00
1958	2,080	2,080.00	2,080.00
1959	2,080	2,080.00	2,080.00
1960	2,080	2,080.00	2,080.00
1961	2,184	2,184.00	2,184.00
1962	2,392	2,392.00	2,392.00
1963	2,461	2,461.00	2,461.00
1964	2,600	2,600.00	2,600.00
1965	2,600	2,600.00	2,600.00
1966	2,600	2,600.00	2,600.00
1967	2,886	2,886.00	2,886.00
1968	3,293	3,293.00	3,293.00
1969	3,328	3,328.00	3,328.00
1970	3,328	3,328.00	3,328.00
1971	3,328	3,328.00	3,328.00
1972	3,328	3,328.00	3,328.00
1973	3,328	3,328.00	3,328.00
1974	3,883	3,883.00	3,883.00
1975	4,368	4,368.00	4,368.00
1976	4,784	4,784.00	4,784.00
1977	4,784	4,784.00	4,784.00
1978	5,512	5,512.00	5,512.00
1979	6,032	6,032.00	6,032.00
1980	6,448	6,448.00	

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Table 8 (continued)

Total of pre-1951 earnings = $10,183.
Year of attainment of age 20 = 1938.
Years over which pre-1951 earnings allocated = 1939 to 1950.
Allocated amount per year = $10,183/12 = $848.58.
Total of high n years of earnings before age 62 = $90,223.48.
Old-start AMW = $90,223.48/(35x12) = $214.82, rounded down to $214.
Old-start PIB before increment-year factor = 40% of $50, plus 10% of ($214-$50) = $36.40.
Number of increment years = $10,183/$1,650 = 6.17, rounded down to 6.
Old-start PIB with increment-year factor = 1.06 x $36.40 = $38.584, rounded to (the nearest cent) $38.58.
December 1978 PIA = $225.30 (from the old-start conversion table).
December 1978 MFB = 150% of $225.30 = $337.95, rounded up to $338.00.
Increase (June 1980): PIA = $225.30 x 1.143 = $257.5179, rounded up to $257.60.
Increase (June 1981): PIA = $257.60 x 1.112 = $286.4512, rounded up to $286.50.
(The 1980-81 increases are applied similarly to the MFB.)

December 1981 PIA = $286.50
December 1981 MFB = $429.70

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Table 9

PIA TABLE EXAMPLE--
AGE 65 RETIREE IN DECEMBER 1981 (BORN DECEMBER 15, 1916); n=22

Year	Earnings	High n Years of Earnings
1951	$ 3,600	
1952	3,600	
1953	3,600	
1954	3,600	
1955	4,200	
1956	4,200	
1957	4,200	
1958	4,200	
1959	4,800	$ 4,800
1960	4,800	4,800
1961	4,800	4,800
1962	4,800	4,800
1963	4,800	4,800
1964	4,800	4,800
1965	4,800	4,800
1966	6,600	6,600
1967	6,600	6,600
1968	7,800	7,800
1969	7,800	7,800
1970	7,800	7,800
1971	7,800	7,800
1972	9,000	9,000
1973	10,800	10,800
1974	13,200	13,200
1975	14,100	14,100
1976	15,300	15,300
1977	16,500	16,500
1978	17,700	17,700
1979	22,900	22,900
1980	25,900	25,900

Total of high n years of earnings = $223,400.
AMW = $223,400/(22x12) = $846.21, rounded down to $846.

December 1981 PIA (from June 1981 PIA Table) = $752.90.
December 1981 MFB (from June 1981 PIA Table) = $1,317.40.

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Table 10

SPECIAL-MINIMUM PIA EXAMPLE--
AGE 63 RETIREE IN DECEMBER 1981 (BORN DECEMBER 15, 1918)

Year	Earnings	Earnings Required for Year of Coverage	Year of Coverage
1951	$1,560	$ 900	yes
1952	1,560	900	yes
1953	1,560	900	yes
1954	1,560	900	yes
1955	1,560	1,050	yes
1956	1,993	1,050	yes
1957	2,080	1,050	yes
1958	2,080	1,050	yes
1959	2,080	1,200	yes
1960	2,080	1,200	yes
1961	2,184	1,200	yes
1962	2,392	1,200	yes
1963	2,461	1,200	yes
1964	2,600	1,200	yes
1965	2,600	1,200	yes
1966	2,600	1,650	yes
1967	2,886	1,650	yes
1968	3,293	1,950	yes
1969	3,328	1,950	yes
1970	3,328	1,950	yes
1971	3,328	1,950	yes
1972	3,328	2,250	yes
1973	3,328	2,700	yes
1974	3,883	3,300	yes
1975	4,368	3,525	yes
1976	4,784	3,825	yes
1977	4,784	4,125	yes
1978	5,512	4,425	yes
1979	6,032	4,725	yes
1980	6,448	5,125	yes

Total earnings prior to 1951 = $10,183.
Imputed years of coverage prior to 1951 = $10,183/$900 = 11.
Years of coverage 1951 to 1980 = 30.
Total years of coverage = 41.
Years of coverage in excess of 10 (but not more than 30) = 20.
January 1979 PIA = 20 x $11.50 = $230.00.
January 1979 MFB = 1.50 x $230.00 = $345.00 (no rounding necessary).
Increase (June 1979): PIA = $230.00 x 1.099 = $252.77, rounded up to $252.80.
Increase (June 1980): PIA = $252.80 x 1.143 = $288.9504, rounded up to $289.00.
Increase (June 1981): PIA = $289.00 x 1.112 = $321.3680, rounded up to $321.40.
(The 1979-81 increases are applied similarly to the MFB.)

December 1981 PIA = $321.40.
December 1981 MFB = $482.10.

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